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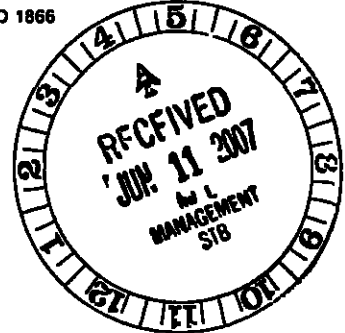
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June 11, 2007

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By Hand

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re U S Rail Corporation -- Lease and Operation Exemption -- Shannon G, STB
Finance Docket No 35042

Dear Secretary Williams

On behalf of our client, The New York, Susquehanna and Western Railway Company ("NYS&W"), we write in response to the exemption submissions in the above-referenced docket

Paragraph (7) of U S Rail Corporation's ("U S Rail's") Verified Notice of Exemption states that "U S Rail will provide daily switching and interchange service at this facility and anticipates handling in excess of 2000 car loads of freight per year which it will interchange with the [NYS&W]" NYS&W is concerned that the Board may interpret this statement as an indication that U S Rail and NYS&W have agreed on arrangements for the handling of traffic to the proposed facility. That is not the case. NYS&W has no relationship whatsoever to Shannon G, the entity identified in the submissions in this docket as the owner of the property which U S Rail indicates it will lease for purposes of its operations. Although NYS&W has engaged in verbal negotiations with U S Rail in regard to the potential track layout at the Paterson, New Jersey, site described in the U S Rail filings, no agreement has been reached. Accordingly, NYS&W wishes to clarify that although it is prepared to honor its common carrier obligation, there exists today no switch from NYS&W's lines into the property at issue, nor are there any U S Rail tracks on NYS&W's property that would permit interchange of traffic. Similarly, NYS&W has no agreements with U S Rail, whether for the interchange or switching of traffic or any other purpose.

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If U S Rail were to obtain authority to operate and construct the rail facilities it describes in its Application, NYS&W would be prepared to negotiate appropriate arrangements to permit service to the facility described in the exemption submissions. However, at this time NYS&W provides no service to this site.

Sincerely,



G Paul Moates

cc John D Heffner
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